IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

In re Application of:	ALEXANDER et al.	:	Confirmation Number:	5454
Application No.:	10/002,948	:	Group Art Unit:	3694
Filed:	October 18, 2001	:	Examiner:	I Jung LIU

For: METHOD AND SYSTEM FOR LEASING MOTOR VEHICLES TO CREDIT CHALLENGED CONSUMERS

REPLY BRIEF

MAIL STOP APPEAL BRIEF-PATENTS
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

This Reply Brief is being submitted in accordance with 37 CFR 41.41. The Reply Brief is in response to Examiner's Answer mailed on April 16, 2009, which was a response to the Appeal Brief filed on December 4, 2008.

Appellant incorporates by reference the arguments set forth in Appellant's Appeal Brief filed on December 4, 2008.

Appellant hereby authorizes any fees or other charges necessary for consideration of this appeal to be charged to Deposit Account No. 50-1059.

1. *STATUS OF CLAIMS*

As indicated in the Appeal Brief filed on December 4, 2008, claims 1 and 3-27 have been rejected. Claims 2 and 28-31 are cancelled. Claims 1 and 3-27 are being appealed.

2. *GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL*
(as presented in the Appeal Brief and confirmed in the Examiner's Answer)

Ground 1. Whether claims 1, 8, 10-12, and 18-19 are unpatentable under 35 U.S.C. 103(a) over Robyn (PTO 892 Form U) in view of Official Notice.

Ground 2. Whether claims 3-7, 9 and 20 are unpatentable under 35 U.S.C. 103(a) over Robyn (PTO 892 Form U) in view of Official Notice.

Ground 3. Whether claims 21-22 and 25-26 are unpatentable under 35 U.S.C. 103(a) over Robyn (PTO 892 Form U) in view of Official Notice.

Ground 4. Whether claims 13-16 are unpatentable under 35 U.S.C. 103(a) over Robyn (PTO 892 Form U) in view of Official Notice, and further in view of Simon *et al.* (U.S. Patent No. 6,195,648).

Ground 5. Whether claims 17 and 23 are unpatentable under 35 U.S.C. 103(a) over Robyn (PTO 892 Form U) in view of Official Notice, and further in view of Donald Streit *et al.* (European Patent No. 762363 A1).

Ground 6. Whether claims 24 and 27 are unpatentable under 35 U.S.C. 103(a) over Robyn (PTO 892 Form U) in view of in view of Official Notice, and further in view of Simon *et al.* (U.S. Patent No. 6,195,648).

Ground 7. Whether claim 7 is unpatentable under 35 U.S.C. 112 as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. The term "currently published retail value" in claim 7 is vague and indefinite, it is unclear whether the device has to actually perform upon activation of rendering the vehicle operable for a predetermined period of time, the vehicle otherwise being inoperable with the installed device or not.

3. *ARGUMENT*

Appellant incorporates by reference the arguments set forth in the Appeal Brief filed on December 4, 2008.

Preliminarily, Appellant notes a correction to Section 4 of the original Appeal Brief, in which it was incorrectly stated that an amendment after final rejection was submitted on October 8, 2008. The Examiner's Answer correctly states that no amendment after final was submitted in this application.

Furthermore, the Examiner's Answer in Section (9) states that "new grounds of rejection of claims 1 and 3-17 necessitated by Appellant's amendment are established in the instant office action as set forth in detail below." However, for the Board's clarification, this ground was in fact raised in the Final Office Action dated July 10, 2008 (see Final Office Action, p. 2, par. 1). Accordingly, this is not a new grounds of rejection in the Examiner's Answer for purposes of 37 C.F.R. §41.39(a)(2).

Claims 1, 8, 10-12, and 18-19

With respect to Claims 1, 8, 10-12, and 18-19, in the Response to Argument section (Section 10)at Page 16, the Examiner stated:

Argument (A):

In response to Appellant's first argument that Robyn does not teach or suggest "funding the lease, wherein funding the lease comprises". The Examiner disagrees. "Robyn teaches "leases the cars to anyone who can come up with at least $ 50 a week ... pays $75.96 a week to lease a light blue 1991 Ford Escort ... $13 million of that money will be used to finance up to 1,200 additional leases on vehicles with the on-time device" (paragraphs 1, 5, 8, 12 and 19). Therefore, Robyn disclosed the claimed invention. The appellant also argues that Robyn does not teach or suggest "establishing a leasing company by an auto dealership; acquiring a line of credit from a lending institution by the leasing company for providing a pool of funds for a plurality of leases, the line of credit including an interest based upon a credit parameters associated with the dealership." Even though the appellant did not challenge the examiner's use of Official Notice, I cite Highbloom. The examiner also cites that in the KSR states "Known work in one field of endeavor may prompt variations of it for use in either the same field or a different one based on design incentives or other market forces if the variations would have been predictable to one of ordinary skill in the art".

In response to the Examiner's Argument (A), Appellant has reviewed the paragraphs from Robyn that were cited by the Examiner as follows:

Paragraphs [1], [5] and [8] are reproduced below for convenience:

ugraph Abstract (Summary)
.1] The dealer, Mel Farr, the former ⓘDetroit Lions football player, leases the cars to anyone who can come up with at least $50 a week. The catch is that a payment is due every Friday and customers must pay up weekly to get a code they must punch into a device attached to the dashboard. Otherwise, the car stays parked.

[5] The dealer, Mel Farr, the former ⓘDetroit Lions football player, leases the cars to anyone who can come up with at least $50 a week. The catch is that a payment is due every Friday and customers must pay up weekly to get a code they must punch into a device attached to the dashboard. Otherwise, the car stays parked.

[8] Mr. Farr's biggest supporters are among the country's political and economic elite. Prodded by the Rev. Jesse L. Jackson, Wall Street recently showered Mr. Farr's company, the biggest black-owned business in the United States, with $36.5 million in new financing that enables him to expand in urban markets. And in a public relations coup last month, President Clinton publicly thanked him for bringing cars "to every community in this country."

With respect to *Robyn,* Paragraphs [1] and [5] – "leases the cars to anyone that can come up with at least $50 a week" refers to the lessor's ability to meet the lending criteria, thus Paragraphs [1] and [5] do not anticipate or suggest the limitation of "funding the lease".

With respect to *Robyn*, Paragraph [8], no portion of which is specifically referenced by the Examiner, the only passage containing a financial reference states that ". . . Wall Street recently showered $36.5 million in new financing that enables him to expand in urban markets." Here the Examiner's argument conflates *financing of the enterprise for business expansion* with specific funding of lease contracts, which is not supported by the passage. Thus, Paragraph [8] does not anticipate or suggest the limitation of "funding the lease".

With respect to *Robyn,* Paragraph [12], there is no support for the Examiner's Argument that *Robyn* teaches funding the lease. Paragraph 12 of *Robyn* states as follows:

[12] The "on-time" devices on his cars are necessary, he said, to insure that people who have a track record of not paying their bills pay up. He contended that it was impossible for the apparatus to shut off the engine while a car was running. Moreover, he said the leases were properly priced because "the risk justifies it," and they were within the confines of Michigan laws, which allow charges of up to 25 percent. "I'm not taking advantage of the customer and they're not taking advantage of me," Mr. Farr said.

Similarly, in *Robyn,* Paragraph [19], there is no support for the Examiner's Argument with regard to claims 1, 8, 10-12 and 18-19. Paragraph 19 of Robyn states as follows:

[19] Jeffrey H. Zarbaugh, 38, was more fatalistic. "I think it is all right, I guess," said Mr. Zarbaugh, who owns a business installing carpets and tiles and has never taken out a loan. "If you plan on making your payments, it is no big deal." Because he knew he had no credit history, he went to Mel Farr's dealership after seeing a sign out front that said "we finance anybody."

Other passages in *Robyn* that were quoted by the Examiner, but not identified by a corresponding paragraph number in the Examiner's Argument, include Paragraph [23], which states "...pays $75.96 a week to lease a light blue 1991 Ford Escort ...". Again, the repayment terms, such as the weekly payment owed by the lessor, is not equivalent to the step of funding the lease. See Paragraphs [0041] and [0042] of the specification, wherein the step of funding the lease is defined as follows:

> [0041] The Reviewer reviews the packet to insure all information is correct and complete, and if so, the leasing system assists the leasing company in submitting an authorization to the lending institution with appropriate documents. The appropriate documents submitted to the lending institution include, for example, the lease agreement, a copy of the automobile title displaying the lending institution as the lien holder, and any other forms or information as required by the lending institution. Upon receipt of the authorization, the lending institution funds the vehicle sales contract by depositing the net cap cost, defined as the total sales price less cash down or trade equity, into the leasing company's account.
>
> [0042] The leasing system then provides the leasing company assistance in transferring money to the vehicle dealership. The leasing company can, for example, issue a check to the dealership, or alternatively, if the leasing company and the dealership are owned by the same principal, a bank account jointly

accessible by both the leasing company and the dealership may be utilized, in which case the physical transfer of funds is not necessary.

Another passage recited from *Robyn,* but not referenced by paragraph number in the Examiner's Argument, is Paragraph [31], which states "...$13 million of that money will be used to finance up to 1,200 additional leases on vehicles with the on-time device."

Appellants disagree with the Examiner's assertion that the cited passage discloses funding the lease in the sense that limitation is used in the patent application [See, e.g., Paragraphs [0041] and [0042]. Even assuming that the cited passage does disclose funding the lease, a point which Appellants do not concede, claim 1 recites in addition to funding the lease, "wherein funding the lease comprises: establishing a leasing company by an auto dealership; acquiring a line of credit from a lending institution by the leasing company for providing a pool of funds for a plurality of leases, the line of credit including an interest based upon a credit parameters (sic) associated with the dealership. The Examiner's argument fails to identify anywhere that the applied reference discloses the additional claim limitations associated with the step of funding the lease. Thus, *Robyn* Paragraph [31], does not anticipate or suggest all of the limitations set forth in claim 1.

The Examiner appears to be asserting a new rejection under Section 101, for nonstatutory subject matter. However, MPEP Section 2106.01 provides as follows: "Nonfunctional descriptive material may be claimed in combination with other functional descriptive multi-media material on a computer-readable medium to provide the necessary functional and structural interrelationship to satisfy the requirements of 35 U.S.C. 101. The presence of the claimed nonfunctional descriptive material is not necessarily determinative of nonstatutory subject matter." Therefore Section 101 is not an appropriate ground for rejection.

Claim 7

The Examiner fails to set forth any argument in support of the rejection of Claim 7 under 35 U.S.C. §112, 2nd paragraph. In Section (9) of the Answer, the Examiner stated that:

2. Claim 7 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. The term "currently published retail value" in claim 7 is vague and indefinite, it is

unclear whether the device has to actually perform upon activation of rendering the vehicle operable for a predetermined period of time, the vehicle otherwise being inoperable with the installed device or not.

The Examiner's rejection seems to be combining the rejection of claim 19 from the first office action with the rejection of claim 7. Clearly the "currently published retail value" is totally unrelated to "whether the device has to actually perform . . . the vehicle otherwise being inoperable with the installed device or not. *See* Claim 19.

4. SUMMARY AND CONCLUSION

In view of the above, Appellant respectfully requests a favorable action on this pending Appeal and withdrawal of the outstanding rejections. As a result of the remarks presented herein, Appellant respectfully submits that claims 1 and 3-27 are not anticipated by nor rendered obvious by the cited references and thus, are in condition for allowance.

The Commissioner is authorized to charge any fees determined to be due to the undersigned's Account No. 50-1059.

Respectfully submitted,
McNees Wallace & Nurick LLC

Dated: 6/8/2009

/William P. Smith/

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